INFORMATION LETTER

Not for Publication — NATIONAL CANNERS ASSOCIATION — For Members Only

No. 1256 — Washington, D. C. — October 15, 1949

Adjournment

Congressional hopes for sine die adjournment of the first session of the 81st Congress by October 20 hinged on Senate debate of the controversial displaced persons bill and House and Senate agreement on conference committee reports on agricultural legislation, wage-hour amendments, and a final call of the calendar in the Senate. The status of agricultural and wage-hour legislation is reported as of the time the INFORMATION LETTER went to press.

Wage-Hour Conferees Agree To Put Fish Canners Under Minimum Wage

Senate and House conferees on the wage-hour bill, H. R. 5856, agreed yesterday to recommend (1) that canners of fish and shellfish be authorized to continue their exemption from overtime but be required to pay the minimum wage, and (2) that the new, 75-cent minimum wage shall be made effective 90 days following the day on which the President signs the wage-hour bill into law.

Of the many operations involving fishery products, only *canning* would be made subject to the minimum wage.

Conferees also agreed to recommend that the "area of production" should be defined by the Secretary of Labor, as under present law, rather than by the Secretary of Agriculture.

Senate Passes Anderson Bill Providing Flexible Supports

The Anderson farm bill providing flexible price supports was passed by the Senate on October 13 and sent to conference with the House-approved bill continuing rigid high level supports.

With respect to perishables, the Anderson bill provides for supports ranging from 75 to 90 percent of parity, subject to the availability of funds and other considerations (see INFORMATION LETTER of September 2, page 291).

"In determining the level of price support for any nonbasic agricultural commodity," the bill states, "particular consideration shall be given to the levels at which the prices of competing agricultural commodities are being supported."

Through Pullman Service

Postcard forms from which through Pullman service to Atlantic City may be arranged were mailed to all canners this week by the Canning Machinery & Supplies Association.

The information submitted on the postcards will be turned over by the C.M.&S.A. to the Pennsylvania Railroad, which has agreed to help local railroad agents route passengers to Atlantic City in a through Pullman without a change at North Philadelphia.

Interstate Shipment of Food Containing New Ingredients

A statement prescribing requirements for obtaining temporary permits to include new ingredients in standardized foods for shipment in interstate commerce has been issued by the Food and Drug Administration, Federal Security Agency, and was published in the *Federal Register* of October 12.

Text of the FDA statement is reproduced on page 318.

The FDA amendment is in accord with the following resolution adopted by the N.C.A. at the 1949 Convention:

Amendment of Food Standards

"Recognition is needed that the processing art is not static and that new methods and products are constantly in the process of development. To this end the Association urges that appropriate provision be made, either by adequate administrative regulation, or if necessary by amendment of the Federal Food, Drug and Cosmetic Act, to permit the interstate shipment, on a trial basis for a reasonable time, of any processed food for which a standard of identity has been promulgated but which contains additional wholesome ingredients whose inclusion is not permitted by the identity standard."

Tariffs on Canned Foods Cut In Negotiations at Annecy

As the world's principal supplier of most categories of canned foods, the United States was granted tariff concessions on numerous canned fruits, vegetables, juices, and soups, and will benefit from tariff cuts on canned fish and shellfish granted to other countries which negotiated at Annecy, France, under the General Agreement on Tariffs and Trade.

In turn, the United States agreed to lower its tariff on canned antipasto, but bound present tariffs on canned tomatoes, canned corned beef, canned anchovies, and canned sausage. Tariffs on many items other than foodstuffs also were negotiated.

The United States claims a two-to-one advantage in total benefits to be achieved from the Annecy negotiations. A State Department announcement, issued October 10, said that concessions granted by the U. S. affect commodities whose total imports in 1948 amounted to $250,000,000, while concessions granted to the U. S. cover commodities worth approximately $537,000,000 in terms of 1947 export trade.

None of the new tariffs will become effective until January 1, 1950, under terms of the Annecy agreement. Then those applicable to U. S. exports and imports will be announced and implemented by Presidential Proclamation.

The tariff concessions negotiated by the U. S. were formulated within the provisions of, and under procedures laid down by, the Trade Agreements Act of 1934, as amended and extended, and the related Executive Order. Ne-

gotiations were conducted on a selective, product-by-product basis.

Under the reciprocal trade agreements program, one country negotiates bilaterally with the country which is "principal supplier" of a given commodity. Thus, the United States negotiated its tariff on canned tomatoes with Italy, which again has become principal supplier of canned tomatoes imported into the United States.

All tariff concessions provided for in the negotiations then are extended to all other countries participating in the trade agreements program. Thus, the tariff rate on canned tomatoes will apply to imports from Italy and all other countries in the trade agreements program. Since each of the concessions accrues to other nations in this manner, countries other than "principal suppliers" benefit from concessions on items of interest in its trade.

Under U. S. law, U. S. tariffs apply to imports from all countries.

A country-by-country summary of concessions follows:

United States: The U. S. agreed to halve the ad valorem duty on canned antipasto valued at over 9 cents a pound, and bound present duties on canned tomatoes and tomato paste at 25 percent ad valorem; on canned beef, including corned beef; on canned anchovies; and on miscellaneous meat products, including canned sausage.

The tariffs "bound" already apply (see INFORMATION LETTER of November 22, 1947, page 469) to imports from the 22 other nations which joined with the U. S. in the Geneva negotiations in 1947:

Australia, Belgium, Brazil, Burma, Canada, Ceylon, Chile, China, Cuba, Czechoslovakia, France, India, Lebanon, Luxembourg, The Netherlands, New Zealand, Norway, Pakistan, Southern Rhodesia, Syria, Union of South Africa, and United Kingdom.

Ten other countries took part in the Annecy negotiations, and when each one is prepared to apply all provisions of the General Agreement on Tariffs and Trade, including tariffs negotiated both at Geneva and Annecy, the applicable U. S. tariffs also will apply to their products. The ten new parties are:

Denmark, Dominican Republic, Finland, Greece, Haiti, Italy, Liberia, Nicaragua, Sweden, and Uruguay.

Denmark cut its tariffs on canned soups and on canned citrus by 50 percent and cut duties on canned peaches, apricots, pineapple, apples and pears by 35 percent.

Dominican Republic lowered the tariff on canned apples, pears, peaches, plums, cherries, nectarines, and apricots from $0.15 to $0.12 per kilo.

Finland established new tariffs on canned pineapple, grapefruit, pears, apricots, peaches, mixed fruits and citrus juices at 25 percent ad valorem.

Haiti bound tariffs on several canned fruits.

Italy reduced the tariff on prepared soups by 58 percent.

Sweden cut the duty on canned asparagus from 75 to 50 crowns per 100 kilos; lowered the tariff on concentrated chicken broth from 50 to 40 crowns; and bound present rates on other canned soups and on canned beans and pork. Tariffs on canned peaches, apricots, pears, and fruits for salad were reduced from 50 to 35 crowns per 100 kilos, and rates on citrus juices also were cut.

Uruguay bound tariffs on fruit juices.

Lower tariffs for certain canned fish and shellfish also were granted by these countries to nations other than the United States, and the lower rates also will apply to imports of U. S. fishery products. Concessions were granted by Denmark, Finland, Greece, Haiti, and Sweden on such canned products as salmon, sardines, and lobster.

DEATH

Leo F. Naughton

Leo F. Naughton, 49, vice president and general manager of Haxton Foods, Inc., Oakfield, N. Y., and chairman of the N.C.A. Statistics Committee, died October 13 of a heart ailment while in New York City.

Mr. Naughton was a member of the Statistics Committee in 1947 and in 1948. During the war years, he served the Association on the Pricing Formula Committee, in 1944, and on the Rationing Committee, in 1945.

PUBLICATION

Food Plant Sanitation Manual

With this issue of the INFORMATION LETTER, canners will receive a brochure announcing the *Sanitation Manual for Food Industries* which is to be published in January, 1950, on a nonprofit basis by the Association of Food Industry Sanitarians.

The publication will be an operational manual containing practical information on principles and procedures of good sanitation in food processing plants.

The A.F.I.S. has headquarters at Room 620, 461 Market Street, San Francisco 5, Calif.

STATISTICS

Tomatoes for Processing

A 1949 production of 2,362,500 tons of tomatoes for canning and for manufacture of tomato products is indicated by October 1 reports received by the BAE. This is about 19 percent less than the 1948 production of 2,910,300 tons and 13 percent less than the 1938-47 average of 2,714,400 tons.

The October 1 indicated yield is 6.62 tons per acre. This compares with 7.27 tons of processing tomatoes obtained in 1948 and an average of 5.44 tons for the 10-year period.

Yields in prospect on October 1 on the Atlantic Coast from Virginia northward to New Jersey were less promising than on September 1. Yield prospects also declined during September in Colorado, Indiana, Iowa, Kentucky, Michigan, and Ohio. Better prospects in California, Utah, the Ozarks, Illinois, western Maryland, New York, Pennsylvania, Tennessee, and Wisconsin failed to fully offset the September decline in the Atlantic Coast area, and several Middle Western States.

Indicated production of tomatoes for processing in 1949, as compared with 1948, by states, is shown below:

State	Production: Harvested 1948 (tons)	Production: Indicated 1949 (tons)
New York	195,200	142,100
New Jersey	160,600	121,900
Pennsylvania	159,100	133,200
Ohio	249,900	140,800
Indiana	568,100	343,000
Illinois	85,100	49,000
Michigan	77,000	50,200
Wisconsin	9,200	8,400
Iowa	9,800	7,400
Missouri	16,000	25,500
Delaware	32,400	35,700
Maryland	110,700	145,600
Virginia	71,000	53,300
S. Carolina	3,100	4,500
Florida	10,100	12,200
Kentucky	11,500	6,200
Tennessee	13,400	7,600
Arkansas	18,500	27,000
Oklahoma	1,600	3,800
Texas	47,000	42,900
Colorado	22,900	23,100
Utah	71,000	75,900
California	955,900	888,000
Other states [1]	11,200	15,200
U. S. Total	2,910,300	2,362,500

[1] Ala., Conn., Ga., Idaho, Kans., La., Minn., Miss., Nebr., N. M., N. C., Ore., Wash., and W. Va.

Sweet Corn for Processing

A production of 1,259,400 tons of sweet corn for canning and freezing is in prospect for 1949, according to BAE. This October 1 indicated production is less than 1 percent below the 1948 production of 1,262,100 tons, but about 21 percent above the 10-year average production of 1,037,270 tons.

The October 1 indicated yield of sweet corn for processing is 2.80 tons per acre. This compares with 2.71 tons obtained in 1948 and 2.42 tons for the 1938-47 average. Improvement in yield prospects after September 1 was generally confined to late fields in Maryland, New York, Michigan, Illinois, Iowa, Minnesota, Idaho, and Washington.

Production prospects for sweet corn for processing in 1949 as compared with 1948, by states, were reported as follows:

State	Production: Harvested 1948	Production: Indicated 1949
	(tons)	(tons)
Maine	22,000	33,900
New Hampshire	800	1,400
Vermont	2,100	3,100
New York	58,300	70,800
Pennsylvania	25,000	24,600
Ohio	61,200	42,000
Indiana	65,400	66,800
Illinois	173,000	213,900
Michigan	6,300	3,100
Wisconsin	220,300	263,500
Minnesota	242,400	208,000
Iowa	96,600	74,400
Nebraska	6,500	5,200
Delaware	11,600	8,600
Maryland	92,500	88,600
Virginia	1,700	800
Idaho	37,700	28,900
Utah	22,400	24,700
Washington	44,100	38,800
Oregon	41,400	34,600
Other states [1]	21,800	23,700
U. S. Total	1,262,100	1,259,400

[1] Ark., Colo., Mont., N. J., Okla., S. D., Tenn., Tex., and Wyo.

Green Peas for Processing

A total of 361,340 tons of green peas for canning, freezing and other processing was obtained in 1949, according to BAE. Production this year is about 4 percent more than the 1948 production of 348,800 tons and 6 percent less than the 10-year average of 382,920 tons.

The revised estimate of acreage planted to green peas in 1949 is 414,700 acres. The preliminary estimate of acreage harvested is 394,370 acres. The difference between the planted and harvested acreage, 20,330 acres or 5 percent, represents the acreage from which no green peas were harvested.

The 1949 estimated yield of 1,832 pounds of shelled peas compared with 1,868 pounds obtained last year and 1,918 pounds for the 10-year average.

The 1949 production of green peas for freezing is estimated at 74,130 tons, and the 1949 production of green peas for canning at 287,210 tons. In 1948, an estimated 68,900 tons were utilized for freezing and 279,900 tons were canned or used for other processing.

Lima Beans for Processing

Green lima bean production prospects improved during September, and BAE now estimates 76,610 tons will be obtained for canning and freezing in 1949. This is about 6 percent more production than was expected on September 1. The tonnage now in prospect for 1949 exceeds the 1948 production of 68,780 tons by 11 percent and is more than double the 1938-47 average production of 35,260 tons.

The 1949 yield of lima beans indicated on October 1 is 1,537 pounds per acre. This compares with 1,626 pounds obtained in 1948 and an average of 1,160 pounds for the 1938-47 period. Harvesting is expected to continue through most of October. Late fields in the eastern part of the United States are yielding better than was expected earlier in the season, but in California recent high temperatures have done some damage to the unharvested fields.

Indicated production of green lima beans for processing for 1948, as compared with last year, was reported by BAE as follows:

State	Production: Harvested 1948	Production: Indicated 1949
	(tons—shelled)	
New York	860	810
New Jersey	7,320	10,200
Pennsylvania	2,640	2,680
Ohio	360	380
Michigan	910	1,920
Wisconsin	2,020	4,970
Delaware	10,770	9,620
Maryland	2,530	2,880
Virginia	2,570	1,950
Utah	.....	.....
Washington	950	1,120
California	28,150	27,160
Other states [1]	8,800	12,920
U. S. total	68,780	76,610

[1] Ark., Colo., Ga., Idaho, Ill., Ind., Iowa, Kans., Minn., N. C., Okla., Ore., and Tenn.

Cabbage for Kraut

The prospective 1949 production of cabbage for kraut on acreage under contract is about 4 percent more than was indicated on September 1, according to BAE. The October 1 indicated production of 82,500 tons compares with 90,580 tons obtained last year, and an average of 80,620 tons for the 1938-47 period.

The October 1 indicated yield on contract acreage is 8.68 tons. In 1948, the yield was 10.74 tons and the 10-year average is 8.75 tons. Yield prospects improved after September 1 in Ohio and Washington, but declined slightly in Minnesota and Wisconsin.

Last year kraut packers purchased 101,020 tons of cabbage on the open market, or slightly more than the 90,580 tons raised under contract for kraut.

Beets for Processing

October 1 indications point to a total of 135,900 tons of beets for canning from the 1949 crop—2,400 tons less than was expected on September 1, according to BAE. The tonnage now in prospect for canning exceeds the 1948 production of 96,900 tons by 40 percent and the 10-year average production of 116,280 tons by 17 percent.

The October 1 yield of canning beets is 8.14 tons per acre. This compares with 7.40 tons obtained last year and an average of 7.57 tons for the 1938-47 period. The New York crop suffered some from the hot dry weather of late summer and this year's indicated yield is less than was obtained in 1948. However, it is still in line with average yields for the state. Elsewhere, except in New Jersey and some of the minor states, this year's expected yields are better than average.

The following table shows indicated production of beets for 1949 as compared with last year's production, by states:

State	Production: Harvested 1948	Production: Indicated 1949
	(tons)	(tons)
New York	29,600	29,800
New Jersey	4,000	6,300
Michigan	5,000	11,400
Wisconsin	41,300	61,600
Oregon	10,000	17,000
Other states [1]	7,000	9,800
U. S. total	96,900	135,900

[1] Calif., Colo., Ga., Ill., Ind., Iowa, La., Me., Md., Minn., Miss., Mo., N. C., Ohio, Okla., Pa., Tenn., Tex., Utah, Va., and Wash.

STANDARDS

FDA Statement on Interstate Shipment of Experimental Packs

Food and Drug Administration
Federal Security Agency

Part 3—Statements of General Policy or Interpretation

Experimental Shipments of Food That Does Not Comply With Standards

Pursuant to section 3 of the Administrative Procedure Act (60 Stat. 237, 238; 5 U. S. C. 1002), the following statement of policy is issued:

§ 3.12. *Temporary permits to include new ingredients in standardized foods.* The Federal Security Agency recognizes that appropriate investigations of potential advances in food technology sometimes require tests in interstate markets of the usefulness and consumer acceptance of new ingredients in foods for which definitions and standards of identity have been prescribed under section 401 of the Federal Food, Drug, and Cosmetic Act.

It is the purpose of this Agency to permit such tests where they are necessary to the completion or conclusiveness of the investigation and where the interests of consumers are adequately safeguarded. This Agency will therefore refrain from recommending regulatory proceedings under the act on the charge that a food contains an ingredient not permitted by an applicable standard, if the person who introduces or causes the introduction of the food into interstate commerce holds a permit from the Federal Security Administrator for the use of the new ingredient in such food and the permit is in effect at the time of such introduction.

Any person desiring a permit may file with the Administrator a written application in triplicate containing as part thereof the following:

1. Name and address of the applicant.
2. A statement of whether or not the applicant is regularly engaged in producing the food involved.
3. A reference to the applicable definition and standard of identity.
4. A full description of the new ingredient proposed for use in the food.
5. The basis upon which the ingredient is believed to be wholesome and nondeleterious.
6. The amounts of the ingredient to be used in the food.
7. The purpose for which the ingredient is to be used.
8. The labeling to be used for the food containing such ingredient.
9. The period during which the applicant desires to introduce such food into interstate commerce, with all available information supporting the need for such period.
10. The probable amount of such food that will be distributed.
11. The areas of distribution.
12. The address at which the food will be manufactured.
13. Permission by the applicant for officers or employees of the Administrator to make inspections as provided by section 704 of the act.
14. A statement of whether or not such food has been or is to be distributed in the State in which it was manufactured.
15. If it has not been and is not to be so distributed, a statement showing why.
16. If it has been or is to be so distributed, a statement of why it is deemed necessary to distribute such food in other States.

The Administrator may require the applicant to furnish such additional information as he deems necessary for his action on the application.

If the Administrator concludes that the ingredient to be added is harmless, may serve a useful purpose, and will not result in failure of the food to conform to any provision of the act except section 403 (g), he may issue a permit to the applicant covering the interstate shipment of such food containing such ingredient. The terms and conditions of the permit shall be those set forth in the application with such modifications, restrictions, or qualifications as the Administrator may deem necessary and state in the permit.

The terms and conditions of the permit may be modified by the Administrator in his discretion or upon application of the permittee during the effective period of the permit.

The Administrator may revoke a permit if he finds (1) that the permittee has introduced a food into interstate commerce contrary to the terms and conditions of the permit, or (2) that the application for a permit contains an untrue statement of a material fact, or (3) that the need therefor no longer exists.

During the period within which any permit is effective, the Agency will deem it to be included within the terms of any guaranty or undertaking otherwise effective pursuant to the provisions of section 303 (c) of the act.

Information contained in applications will be held confidential unless and until publicly revealed by the applicant. The fact that a permit has issued or is in effect will also be held confidential.

(Sec. 701, 52 Stat. 1055; 21 U. S. C. 371.)

Dated: October 5, 1949.

[s] JOHN L. THURSTON,
Acting Administrator.

Invitations for Bids

Quartermaster Purchasing Offices—111 East 16th Street, New York 3, N. Y.; 1819 West Pershing Road, Chicago 9, Ill.; Oakland Army Base, Oakland 14, Calif.

Veterans Administration—Procurement Division, Veterans Administration Building, Washington 25, D. C.

The Walsh-Healey Public Contracts Act will apply to all operations performed after the date of notice of award if the total value of a contract is $10,000 or over.

The QMC has invited sealed bids to furnish the following:

TOMATO JUICE (Fancy)—36,887 dozen 46-oz. cans, f.o.b. destination. Bids due at Chicago under Bid No. QM-11-183-50-219 by Oct. 20.

CANNED HOMINY—7,200 No. 2½ cans, f.o.b. destination. Bids due at Oakland under Bid No. QM-04-493-50-70 by Oct. 24.

FRUIT COCKTAIL (Choice)—5,466 dozen No. 10 cans, f.o.b. origin. Bids due at Oakland under Bid No. QM-04-493-50-66 by Oct. 31.

The Veterans Administration has invited sealed bids to furnish the following:

MARASCHINO CHERRIES—1,500 gallons in one- or one-half gallon jars, f.o.b. destination. Bids due under Invitation No. 84-B by Oct. 24.

CANNED BEETS (Fancy)—5,250 dozen No. 10 cans, f.o.b. destination. Bids due under Invitation No. 90-B by Oct. 27.

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